**Objectives of Materials Management**

1.Proper, cost effective material procurement.

2.Proper storage of materials so as to minimize wastages and material hold ups.

3 Timely availability of material

4.Identifying new or better sources of supply

5. Development and sustenance of relationships with the vendors

6. Creating a standardized quality of the products

7.Performing the value analysis of inventory.

8.Creating a smooth flow of materials and information among the various sections of materials management system.

**Advantages of material management**

1. Better accountability on part of materials as well as other departments as no one can shift blame to others.

2. As materials management is handled by single authority, it can result in better coordination, as it becomes the central point for any material related problems.

3. Materials management department makes sure that better quality material is supplied timely to the requesting departments. This can result in better performance of the organization.

4.A materials management system is typically controlled through an information system, thus, can help in taking decisions related to material in the organization.

5.Good quality material develops the ethical and moral standard in an organization.

**Activities of materials and information flow in an organization**

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**Scope of materials management**

1.Estimation of materials requirements

2.Preparation of materials budget of the organization

3. Estimating the levels of inventories required in the organization

4.Scheduling the orders placed with the vendors to ensure availability of material

5.Finalizing the terms and references of purchases that are to be made.

6. Placing the purchase orders this activity may be staggered as per the inventory control function.

7.Managing the purchase orders till delivery of materials

8.Giving clearance to payment of received goods

9.Performing Inventory and control

**Define the various roles of materials management in the context of internal and external interfaces to materials management system**.

The various roles of materials management in the context of internal and external interfaces to materials management system are:

1.Market forecasting, as the key role of materials management is to forecast future demands.

2.Production: one of the key roles of materials management system would be to see that the process of production goes unhindered.

3.Finance: the material management is strategically very much linked to cost reduction

4.Inventory Control: one of the key strategic roles of material management would be to minimize the inventory of an organization.

5.Inspection or Quality Control: this is a very interesting interface as the quality of material for different types of an organization is impacted during materials management cycles, though materials management is not directly responsible for quality, yet it can cause indirect effects on the quality of production

**Role of Material Management in performing various functions in an organization**

1.Decision on making the material or buying it-this ensures quality delivery with minimum cost

2.Materials forecasting-planning to ensure constant availability

3.Materials Planning and Budgeting-it’s a major control activity to take into consideration

4.Selection of potential information-material management data aids in selection of suppliers,market research information

5.Creative purchasing-allows creative purchasing by the organization as it sees most of the trends

6.Price forecasting-good price forecasting based on market research information may bring an organization into win- win system.

7.Store management and inventory control-helps in controlling of materials received,proper storage ,stock verification,timely delivery,proper storage and presentation.

**Product scope**

A product is any tangible,intangible offering that might satisfy the needs or aspirations of a consumer by adoption. The meaning is constantly and continuously expanding.

First and foremost fundamental aspect, is the core benefit associated with the core product which the consumer derives by adoption which also answers the question of why the buyer should buy, it. This way every product tries to satisfy some core benefit or value. It is the task of the marketer, to disclose the underlying motives behind the purchase of the product.

**Product mix and line decisions as strategic tools to increase market share and keep competition at bay.**

Product line refers to similar products offered by a company to buyers, While mix encompasses all individual products available offered by the company and further each

product line has a range e.g models ,sizes,and style.

The two are strategic tools to increase market share and minimize competition by :

1.Product mix ensures consistency,this assures buyers of constant availability hence defining product portfolio based on also depth and width

2.They appeal to diverse consumer needs across various segments thus helping in maximum shelf space and sustain dealer support

3.Provides diversity of products offered in the market this keeps competition of similar products at bay

References: MODULE 2 NOTES

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